GOVERNMENT OF INDIA
EXTERNAL AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:610
ANSWERED ON:19.07.2017
Expatriate Levy by Saudi Arabia
Kodikunnil Shri Suresh;Singh Shri Pashupati Nath

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

Will the Minister of EXTERNAL AFFAIRS be pleased to state:

(a) whether expatriate levy imposed in the Kingdom of Saudi Arabia is likely to adversely affect expatriate Indian citizens living there and if so, the details thereof;

(b) whether the Government has expressed its concerns about this decision to the appropriate authorities in the Kingdom of Saudi Arabia; and

(c) if so, the details and response thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF EXTERNAL AFFAIRS
(SHRI M. J. AKBAR)
(a) to (c) For the last several years, the Saudi Government has been implementing Saudization programme aimed at reducing unemployment among Saudi nationals and to encourage the private sector to employ greater number of Saudi nationals as well as to reducing reliance on expatriate workers. Further, against the backdrop of declining oil prices, the Saudi Government has introduced a number of new taxes/VAT so as to augment the sources of government revenue.
The dependent tax, imposed on expatriates who have dependents living in the Kingdom of Saudi Arabia beginning July 1, 2017, is one such measure. This is not India-specific and is applicable to all expatriates residing in the Kingdom. The tax rate is SR 100 (Rs.1,700 approx.) per month on each dependent from the year 2017 onwards. The dependent tax will be increased to SR 200 in 2018, SR 300 in 2019 and SR 400 in 2020 per dependent member of the expatriate family.

The issue has been officially raised with a visiting Saudi delegation on July 11, 2017.
As per initial feedback from our Mission, there is no indication of any increase in the families returning to India on account of the dependent tax. The resident Indian community in Saudi Arabia has also marginally increased during the last one year and is presently estimated at 3.03 million in March, 2017. However, it needs to be seen whether the annual increase in tax would adversely impact the resident Indian families.